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FASOTRAGRUPACINST 4200 B
N14

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FASOTRAGRUPACINST 4200.1B

Subj NAVSUP COMMERCIAL PURCHASE CARD POLICIES AND PROCEDURES

- a NAVSUP 4200.94
- b Federal Acquisition Regulations (FAR)
- c Defense Federal Acquisition Regulation Supplement (DFARS)
- d Navy Acquisition Procedures Supplement (NAPS)
- e COMNAVAIRPACINST 7305.1
- f COMNAVAIRPACINST 7310.1

Material Request for Procurement Form

2 Micro-purchase Worksheet

3 Government-wide Commercial Purchase Card Order Log

1. Purpose. To provide instructions for the effective management and control of the Government-wide Commercial Purchase Card (GCPC) program
2. Cancellation FASOTRAGRUPACINST 4200
3. Scope. This instruction applies to all Fleet Aviation Specialized Operational Training Group, Pacific Fleet (FASOTRAGRUPAC) staff personnel.
4. Discussion. Effective 30 November 1998, the General Services Administration (GSA) awarded a contract for Government-wide Commercial Purchase Card services to CITIBANK. The contract provided for civilian and military government employees to make purchases using the official government purchase card. The purchase card is designed to save the government time and money in the procurement process.

Action

- a. All personnel involved in the Government-wide commercial purchase card program will ensure the program is administered in accordance with references (a) through (d) and this instruction.
- b. Cardholders will use the purchase card to procure material and services authorized by references (a) through (f) and this instruction
- c. Enclosures (1) through (3) will be used to properly document transactions using the purchase card.

F. M. Gallie
F. M. GALLIE

Distribution:
FASOTRAGRUPACINST 5216.3A
List A

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CHAPTER 1

INTRODUCTION

101. Program Overview. The Commercial Purchase Card (CPC) program is intended to improve the efficiency of the purchasing and payment process through reduced paperwork, prompt receipt of items, and reduced number of invoices.

102. General. The contract provides commercial cards associated with purchases of supplies and services for civilian and military employees to make purchases for official government use per references (a) through (f). The card may also be used to order directly from government sources. Without exception, the commercial card will only be used for authorized U.S. Government purchases.

103 Key Terms The following key terms from reference a are defined

a. Head of Contracting Activity (HCA). The HCA for the CPC program is Commander, Naval Supply Systems Command (COMNAVSUPSYSCOM). Fleet Industrial Supply Center (FISC) San Diego is the COMNAVSUPSYSCOM point of contact, and delegates contracting authority to FASOTRAGRUPAC. FISC will also conduct periodic reviews in the management of the program at FASOTRAGRUPAC.

b. Agency Program Coordinator (APC). The APC will oversee the CPC program and establish program guidelines. The APC coordinates applications for cards, issuance and destruction of cards, reports, and administrative training. The APC also serves as liaison between FASOTRAGRUPAC, CITIBANK, and the GSA contracting officer. Ms. Dottie Webber, N14, FASOTRAGRUPAC's budget analyst is assigned as the APC. Ms. Mickie Oaks, N144, FASOTRAGRUPAC's material support supervisor, is assigned as the secondary APC. The mailing address is: Commanding Officer FASOTRAGRUPAC, N14, Box 357068, San Diego, CA 92135-7068. Ms. Webber can be reached at (619) 545-6298, Ms. Oaks can be reached at (619) 545-6086.

c. Approving Official (AO). The AO is responsible for reviewing and certifying one or more cardholder's monthly statements to ensure purchases are made per references (a) through (f) and local directives. The AO will enforce these internal procedures and initiate administrative and disciplinary procedures for misuse of the card. The AO will be designated in writing by the Commanding Officer. The FASOTRAGRUPAC material support supervisor will act as the primary AO. The AO will always be senior to any cardholder whose statement he or she reviews and certifies.

d. Cardholder. The cardholder is the individual to whom a card is issued. The card bears the individual's name and will only be used by the individual to pay for authorized U. S. Government purchases. Prior to making purchases, the cardholder must receive a delegation of authority from the Commanding Officer. The delegation will specify the single purchase limit, the billing cycle purchase limit and the transaction types authorized. The command may have more than one cardholder assigned.

e. Purchase Card Certifying Officer. The Purchase Card Certifying Officer (PCCO) is a military or civilian employee appointed in writing to certify the official invoice for payment. The AO will act as the PCCO. The PCCO responsibilities includes the following:

(1) Ensuring that the transactions meet the legal requirements for authorized card purchases.

(2) Ensuring that adequate documentation is available for individual transactions.

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(3) Ensuring the facts presented in documents for payment are complete and accurate.

(4) Taking appropriate action to prevent two or more payment for the same transaction.

(5) Proper implementation of dispute procedures when transactions are questioned.

(6) Certifying the official invoice and forwarding of payment

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CHAPTER 2

GENERAL GUIDELINES ON THE USE OF THE COMMERCIAL PURCHASE CARD201 Training Requirements

a. The APC, the AO and prospective cardholders, will be familiar with this instruction prior to assuming their duties. Prior to the issuance of a purchase card, all prospective cardholders and AOs must receive training in DON policies and procedures as well as local internal operating procedures. In addition, refresher training on current Department of the Navy (DON) policies and local internal operating procedures is required at least every two years.

b. In addition, the APC, AO and prospective cardholders must successfully complete at least one of the following

1) Navy/Marine Corps Purchase Card training and interactive customer assistance CD-ROM;

2) Navy/Marine Corps Purchase Card interactive tutorial (Web-based)

3) NAVSUP Commercial Purchase Card course for Micro-purchasers

(4) A cognizant HCA approved purchase card course that contains the minimum requirements/curricula covered in the NAVSUP Commercial Purchase Card course for Micro-purchasers.

c. Individuals who have taken one of the following courses have satisfied the training requirements and are not required to complete any of the training discussed in paragraph (b) above:

1) NAVSUP Simplified Acquisition course;

(2) CON 101, Contracting Fundamentals or CON 202, Intermediate Contracting or equivalent predecessor courses (NAVSUP Simplified Acquisition course).

202. Cardholder's Contracting and Account Limitations. Use of the purchase card by cardholder is subject to a single purchase limit, a monthly cardholder limit, and a billing cycle office limit. The limits will be delineated in the letters of designation of each cardholder and each AO. Limitations are as follows:

a. Single Purchase Limit. The single purchase limit is a limitation on the procurement authority delegated to the cardholder. This dollar limit cannot be exceeded unless a revised delegation of authority to raise the limit. Single purchase limit is \$2,500, open market, and \$100,000 under GSA/FSS contracts.

b. Billing Cycle Purchase Limit. The billing cycle cardholder limit assigned to each cardholder is \$100,000. The total dollar value of purchases when using the card for any billing cycle shall not exceed the billing cycle purchase limit set for the cardholder.

c. MCC. This is a four-digit code assigned to participating MasterCard vendors based on industry classification. Each cardholder's account will be coded to identify the types of merchants from whom the cardholder is authorized to make purchases.

d. Transaction Type. The cardholder's account and delegation of authority will identify the transaction type authorized (i.e., over-the-counter, telephone orders, or via the Internet).

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203. Card Security. The unique CITIBANK card has the cardholder's name embossed on it. Only that person can use the card. The card is specially designed showing the seal of the United States and the words "United States of America" imprinted to avoid being mistaken as a personal credit card. It is the cardholder's responsibility to safeguard the purchase card and account number at all times.

204. Lost or Stolen Cards. Cardholder should immediately contact CITIBANK (1-800-790-7206) if the card is lost or stolen. The cardholder must also notify their AO within one working day after discovering the missing card. The AO shall submit a written report to the APC within one workday. The report will include the following:

- Card number
- Cardholder's full name
- Dat and location of the loss
- d If stolen, date reported to the police
- e Date and time CITIBANK was not .ed
- f Any purchases made on the day the card was lost or stolen
- Any other pertinent information

A card that is subsequently found after being reported lost or stolen will be destroyed and reported to CITIBANK. Upon separation or transfer of a cardholder, the cardholder must surrender the card to their AO or the APC. The APC will notify CITIBANK to cancel the account.

205. Standards of Conduct. All personnel involved in the CPC program hold a public trust; their conduct must meet the highest ethical standards. All cardholders will use this card only to purchase supplies within the guidance of this program. Cardholders and AOs acknowledge that making false statements on purchase card records may result in disciplinary action. All individuals will receive annual standards of conduct training and certify that they will comply with all the standards.

206. Unauthorized Use. Unauthorized use is defined as the use of a purchase card by any person other than the cardholder whose name appears on the purchase card. Unauthorized use also means use of a purchase card by a cardholder that exceeds his delegation of authority. FASOTRAGRUPAC is not liable for any unauthorized use of the CITIBANK card. A cardholder that makes unauthorized purchases or carelessly uses the card may be liable to FASOTRAGRUPAC for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. The cardholder may be subject to disciplinary action for unauthorized or careless use.

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CHAPTER 3

MANAGING THE PURCHASE CARD PROGRAM30 Purchase Request

a. Requisitioner's Responsibilities. Before buying any supplies from a commercial vendor or merchant, the cardholder must receive a properly approved purchase request from the requisitioner. The requisitioner should complete the following steps:

(1) Ensure all necessary research and requirements are completed prior to requesting the purchase, such as items requiring special approval.

(2) Plan on the replenishment of known recurring requirements

(3) Consolidate similar or like requirements and not split known requirements into separate purchase requests in order to fall within dollar limits.

Complete enclosure (1), the local form for purchase requests

b. Purchase Request Form. At the minimum the purchase request form will contain the following information:

1) Date of request

(2) For each line item, a description (see paragraph 303) with quantity, unit of issue, an estimated unit price and extended amount.

3 Estimated total amount

(4) Delivery information

(5) Authorizing Official signature

6 Approving Official signature

c. Item Description. The description of an item provided by the requisitioner should be either an "adequate generic purchase description" or a "brand name or equal purchase description."

(1) Adequate Generic Purchase Description. An adequate commercial purchase description should set forth the minimum essential physical and functional characteristics as follows:

(a) Common nomenclature

(b) Kind of material

(c) Electrical data, if any

(d) Dimensions, or capacity

(e) Principles of operation

Intended use

(g) Restrictive environmental conditions

(2) Brand Name or Equal Purchase Description. Unless the requisitioner provides a written justification to limit the purchase to one brand name product, the minimum acceptable purchase description must include

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(a) All known brands that meet requirement

(b) Essential physical, functional or other characteristics of that brand name product(s).

When a vendor quotes on an "equal product," vendor must clearly identify the item and provide literature for the requisitioner to review. If the product is not equal, the requisitioner must submit a written determination explaining why the "or equal" product is not acceptable.

c. Screening for Required Supply Sources. As a statutory source of supply requirement the cardholder will ensure that purchases reflect evidence of Federal Prison Industries (FPI) and Non-profit Agencies Employing People who are Blind or Severely Disabled (NIB/NISH) screening. Information will be documented on the Government-wide Commercial Purchase Card order log, enclosure (3).

302. Funding Availability. Prior to soliciting a quotation, the cardholder must ensure that sufficient funds are available. The cardholder will use the purchase card to purchase material authorized by references (e) and (f). Backordering or delivering partial quantities should be avoided. If an item must be backordered or a partial accepted quantity, the merchant must agree to bill only the actual quantity shipped.

303 Don't Buy List. The cardholder will ensure the purchase card is not used for the following:

a. Advance payments, except for requirements such as subscriptions for publications (i.e., Federal Employee News Digest, Navy Times, etc.) and post office box rentals.

b. Advertisements, business cards, Christmas cards and other seasonal decorations.

 Building or land, long-term rental or lease

 Cash advances from a bank teller or automated teller machine

 Coffee pot

 Gasoline, oil, services, maintenance and repair of government vehicles

g. Hazardous materials, such as asbestos and asbestos-containing material, with the exception of commonly used office supplies (i.e., toners, printer cartridges, batteries, etc).

h. Plaques, ashtrays, paperweights, commemorative coins and other mementos as a give-away item.

 Printing and duplication services (from agencies other than DAPS)

j. Purchase, rental, or lease of motor vehicles, whether or not on official travel.

k. Travel expenses including personal luggage, transportation, lodging, meals.

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307. Evaluating the Quotation. If the contractor quotes on products that meet the requirement, can provide the quantities needed by the required delivery date, and quotes prices, including freight charges, that are within purchase authority and are fair and reasonable, the buy can be made without soliciting any other quotes. Although competition is not always required, micro-purchases should be equitably distributed among qualified sources before placing a repeat order.

308. Making the Buy. Once the cardholder determines that the merchant's price is fair and reasonable, the cardholder may proceed to purchase the supplies. To avoid fraud, waste and abuse and other Government liability issues, the preferred way to use the card is to place a phone order and have the contractor deliver the shipment to a location at the command by the required delivery date. However, over-the-counter buys are authorized if circumstances warrant such use of the card. Only the cardholder is authorized to call contractors and place orders, make over-the-counter buys, or order via the Internet.

a. Over-the-Phone Orders. The cardholder should do the following steps in making over-the-phone orders

- (1) Repeat all information that was submitted in the quotation
- (2) Remind the merchant that partial deliveries or back orders are not authorized
- (3) Tell the merchant to deliver, or have available for pick up, the item(s) no later than 30 days from the date of the order.
- (4) Tell the merchant not to include the purchase card account number on any shipping document or packing list.
- (5) Tell the merchant to include the following information on the shipping document or packing list;
 - (a) Merchant's name and address
 - (b) Annotation to forward document to the cardholder by name and code
 - (c) Date of the order
 - (d) Date of delivery or shipment
 - (e) Itemized list of supplies furnished, including quantity, unit price and total price.
- (3) Tell the merchant to write "PURCHASE CARD" on the outside of the packaging of the item.
- (4) Remind the merchant that the buy is exempt from sales taxes
- (5) If the item(s) will be picked up at the vendor's location, identify the individuals who are authorized to pick up the order and require the contractor to ask for identification.
- (6) Record all ordering and follow-up information on the cardholder's micro-purchase worksheet, enclosure (2), to include details of all phone calls to the vendor.

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b. Over-the-Counter Buys. Only the cardholder may make over-the-counter buys. The cardholder will go to the selected vendor, purchase the item(s) discussed in the quotation process, and obtain a receipt.

c. Via the Internet. Cardholders may place orders via the Internet. When purchasing/ordering through on-line Web sites, cardholders should ensure that appropriate safeguarding measures are taken. User identification, authentication, and encryption of data are important factors in safeguarding this information. All purchasing/ordering of material, services, and equipment will be through the browsers provided to individual at their official workstation.

309. Purchase Card Security. Regardless of the method in which the cardholder uses their purchase card, the cardholder is responsible for safeguarding the security of the purchase card and its account information. In order to protect the integrity of the process, whether the purchase is made over-the-counter or over-the-phone, a minimum of two-way separation of function is required. If the cardholder is picking up material at a contractor's place of business, the end user should sign for final receipt. In the event that the cardholder is the end user, another designated individual must sign for receipt.

310. Use of Monthly Order Log. All card purchases will be recorded using monthly government-wide commercial purchase card order log, enclosure (3). This log will be used to identify charges during the monthly reconciliation process.

311 Receipt, Inspection, and Acceptance

a. Documentation. Any time a transaction is made using the card, whether it is done over-the-counter, by telephone, or via the Internet, a hard copy receipt document shall be retained as proof of purchase. This document should later be used to verify the transactions shown on the cardholder monthly statement. In order to protect the integrity of the process, a minimum two way separation of functions is required when using the card, i.e., one person making the purchase and another accepting and receiving the supplies or services.

b. Over-the-Phone Order Receipt Procedures. A person other than the cardholder, must inspect and accept the supplies. If a person is picking up the order, inspection must take place prior to taking possession of the item(s). The receiver will sign and date the shipping document or packing list, annotate any discrepancies, and forward it to the cardholder. The cardholder will then retain all purchase documentation within a billing cycle until the statement for that billing cycle arrives in the mail.

c. Over-the-Counter Order Receipt Procedures. The cardholder must obtain a receipt from the vendor and must inspect the item(s) before taking possession. The cardholder then will deliver the item(s) to the end user. The receiver will sign and date the receipt, and return it to the cardholder. The cardholder will retain all purchase documentation until the billing arrives in the mail.

d. Over the Internet Receipt Procedures. All shipments should be accompanied with invoices. If for some reason the cardholder could not obtain one, the cardholder must attach an explanation that includes a description of the item, the date purchased, the merchant's name, and reason why there is no supporting documentation. The cardholder will deliver the material to the end user for receipt, inspection, and acceptance.

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CHAPTER 4

LETTERS OF AGREEMENT

401. Scope. Letters of Agreement provide contracting officers, agency program coordinators, and cardholders with an innovative approach to using the purchase card above the micro-purchase threshold.

402. Definition. The letter of Agreement (LOA) is a streamlined procedure for procuring commercial supplies between \$2,500 and \$25,000, based on using oral solicitations, placing oral orders, and paying for the orders using the purchase card. LOAs are not to be established for the procurement of services.

403 Requirements for Establishing LOAs

a. Delegation of Contracting Authority. Authorization from cognizant HCA is required when this method is utilized. FASOTRAGRUPAC has not been granted the establishment of LOAs.

b. Appointment of Cardholders. Cardholders utilizing this method must be appointed in writing as Contracting Officer on an SF 1402.

c. Training. Cardholders authorized to use this method must complete, as a minimum, the NAVSUP simplified acquisition course or HCA equivalent course.

d. Establishing LOAs. Contracting Officers should establish LOAs on an SF 1449 or DD Form 1155. APCs are limited to establishing LOAs using a letter format. Refer to reference (a) for exhibits and samples.

e. Use of LOAs. When this method is used, LOAs must be established with small business vendors providing commercial supplies. LOAs cannot be placed with large business concerns. Vendors must also agree to permit the use of the purchase card as a method of payment for oral orders.

f. Ordering. Cardholders authorized to place orders against these agreements will follow the solicitation and award procedures found in reference (b). Vendors must agree to bid on oral solicitations and to accept the terms and conditions normally associated with the procurement of commercial items. Cardholders must maintain records of oral price quotations to reflect the propriety of placing orders to the vendor selected at the prices paid.

g. Reporting. Contracting Officers or APCs must account for each LOA established as a Blanket Purchase Agreement (BPA) on the DD Form 1057. All oral orders against LOAs must be accounted for on the DD Form 1057 as a BPA call.

h. LOA Listing. The Contracting Officer or APC will maintain a listing of contractors. This listing will be provided to the cardholders authorized to use this method. The listing must be reviewed and updated on a routine basis or as interested small businesses request LOAs and are added to the list.

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CHAPTER

USE OF GOVERNMENTWIDE PURCHASE CARD AS A PAYMENT METHOD

501. Scope. This chapter provides Department of the Navy (DON) procedures for using the government purchase card as a method of payment.

502. General. The government purchase card is intended to streamline DON's financial management and procurement processes by reducing the administrative burden associated with traditional and emergency purchasing of supplies and services for invoices above \$2,500. The purchase card may also be used for all training requests, using the DD Form 1556, valued at or below \$25,000. Cardholders must successfully complete the required training and receive a delegation of authority document in order to use the purchase card.

503. Policies and Procedures. The following policies and procedures must be followed when using the purchase card as a method of payment.

- a. An approved and properly funded purchase request is presented accomplishing a purchase action.
- b. The appropriate purchase instrument is used for the requirement (i.e. BPA purchase order, contract, delivery order, etc).
- c. The appropriate provisions and clauses are included (FAR 52.232-36 shall be included in all purchase orders, BPAs, and contracts where the purchase card will be used as the method of payment).
- d. A contract reporting is accomplished, DD Form 1057 or DD Form 350)

504. Request, Authorization, Agreement, Certification of Training and Reimbursement (DD Form 1556)

a. The use of purchase card is an authorized method of payment for all commercial training requests valued at or below \$25,000, using the DD Form 1556. This form is authorized for costs associated with individual and group attendance at training under the following conditions:

(1) The training is an off-the-shelf event, conference, or instructional service available to the general public and priced the same for everyone (i.e., price per student, course, program, service, or training space).

(2) The Administrative Officer will ensure block 27 of a properly issued DD Form 1556 cites "payment will be made by the purchase card"

(3) Prior to forwarding training requests to the regional Human Resources Service Centers (HRSC), the AO must ensure block 27 of the form also includes detailed cardholder information (cardholder's name, card number, expiration date, and telephone number) to allow for processing by the HRSC. All personnel handling this purchase card information are tasked with the proper safeguarding of that information.

505. DOD Printing Requisition/Order Form (DD Form 282)

a. All printing or duplication procurement in the U. S. is strictly controlled and must be forwarded to the Document Automation and Production Service (DAPS). In addition, the Under Secretary of Defense (Comptroller) has mandated that all requests for printing placed with DAPS within the continental United States and Hawaii be acquired with the GCPC.

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b. The cardholder must ensure that the appropriation block reflects that payment is to be made by the purchase card. In addition, the cardholder's name and telephone number should be stated in the special instruction/remarks block. Do not include your GCPC on this form.

Once DAPS completes the printing request; the cardholder will be to furnish their account number for billing purpose. The purchase card may be used to pay for printing/duplication requests/orders up to \$100,000.

506. Simplified Acquisition Methods

a. Micro-purchases. All micro-purchase requirements, regardless of the simplified acquisition method used (i.e., BPA calls, purchase orders), will be accomplished using the purchase card.

b. Purchase Orders (DD Form 1155). Each purchase order for supplies and services should contain authorization for payment by the GCPC. This includes unpriced orders with established ceiling prices. The following procedures are applicable:

(1) Cardholder must have an appropriate delegation of authority let SF 402, Certificate of Appointment.

Cardholder's single and billing cycle dollar limitations should be established to reflect authorization to use the purchase card as a method of payment

(3) Requisitions for purchase actions for which the purchase card will be used as a method of payment should include the purchase cardholder's name, code, and phone number.

(4) The Contracting Officer will include in all solicitations and awards which the purchase card will be used as a method of payment FAR 52.232-26 "Payment by Third Party". In addition, the Contracting Officer must indicate in block 15 of the DD Form 1155 that payment will be made by the GCPC. This block will also be annotated with the cardholder's name and phone number as payment point of contact.

(5) At the time of the award of the purchase order, the Contracting Officer will provide the contractor with the appropriate purchase order number and indicate that payment will be made using the purchase card.

(6) When instructed by the Contracting Officer, the authorized cardholder will provide the contractor with his/her purchase card number. This can be accomplished verbally, by FAX, or via E-mail. In any case, the cardholder will notify the contractor not to charge the account until after performance or shipment has taken place.

(7) Payment by purchase card should only be made by the authorized cardholder utilizing his/her own purchase card. In the case of unpriced orders with established ceilings, if the contractor cannot perform in accordance with the established ceiling, the contractor must withhold performance and notify the Contracting Officer. If the Contracting Officer authorizes the additional work and cost, this information should be communicated to the cardholder as authorization to use his/her card to pay for the additional work. The Contracting Officer will issue a modification to the unpriced purchase order to conclude the order. The cardholder must inform the contractor not to charge the account until the work is completed.

(8) The cardholder must verify receipt and acceptance of the supplies and/or services since the authorized charges will show up on his/her monthly statement.

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b. The cardholder must ensure that the appropriation block reflects that payment is to be made by the purchase card. In addition, the cardholder's name and telephone number should be stated in the special instruction/remarks block. Do not include your GCPC on this form.

Once DAPS completes the printing request; the cardholder will be to furnish their account number for billing purpose. The purchase card may be used to pay for printing/duplication requests/orders up to \$100,000.

506. Simplified Acquisition Methods

a. Micro-purchases. All micro-purchase requirements, regardless of the simplified acquisition method used (i.e., BPA calls, purchase orders), will be accomplished using the purchase card.

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(1) Cardholder must have an appropriate delegation of authority let SF 402, Certificate of Appointment.

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(5) At the time of the award of the purchase order, the Contracting Officer will provide the contractor with the appropriate purchase order number and indicate that payment will be made using the purchase card.

(6) When instructed by the Contracting Officer, the authorized cardholder will provide the contractor with his/her purchase card number. This can be accomplished verbally, by FAX, or via E-mail. In any case, the cardholder will notify the contractor not to charge the account until after performance or shipment has taken place.

(7) Payment by purchase card should only be made by the authorized cardholder utilizing his/her own purchase card. In the case of unpriced orders with established ceilings, if the contractor cannot perform in accordance with the established ceiling, the contractor must withhold performance and notify the Contracting Officer. If the Contracting Officer authorizes the additional work and cost, this information should be communicated to the cardholder as authorization to use his/her card to pay for the additional work. The Contracting Officer will issue a modification to the unpriced purchase order to conclude the order. The cardholder must inform the contractor not to charge the account until the work is completed.

(8) The cardholder must verify receipt and acceptance of the supplies and/or services since the authorized charges will show up on his/her monthly statement.

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c. Blanket Purchase Agreements (BPAs). The purchase card may be used to pay for firm fixed price or unpriced BPA calls issued against BPAs established under simplified acquisition procedures when the following conditions apply:

(1) The Contracting Officer will include in all solicitations and awards in which the purchase card will be used as the method of payment, "Payment by Third Party."

(2) The individual calls payable by the purchase card will not exceed the Simplified Acquisition Threshold (SAT) (\$100,000).

(3) Personnel authorized to place BPA calls must have a Certificate of Appointment (SF 1402) reflecting the appropriate procurement method and individual call limitation.

(4) Prior to placing a BPA call, the authorized caller should receive a valid purchase requisition either in writing or electronically that indicates the purchase card will be used as the method of payment.

507 Non Simplified Acquisition Methods

Delivery Orders Issued against Federal Supply Schedule (FSS) Contracts

(1) The FSS contract must authorize the use of the purchase card as a method of payment for oral orders placed against the schedule up to \$100,000.

(2) Ordering Officers and purchase cardholders acting within their delegated contracting/purchase authority may use the purchase card as the method of payment for orders placed against FSS. An SF 1402 is required for the issuance of written delivery orders. If the individual is a Purchase Cardholder, a letter of delegation is required.

(3) If an Ordering Officer is issuing a delivery order on behalf of a Purchase Cardholder, he/she must first obtain contractor's acceptance of the order and then provide the contractor with the cardholder's name and telephone number. The Purchase Cardholder should then be instructed to provide the contractor his/her card account information. This can be accomplished verbally, via FAX, or E-mail.

(4) Ordering Officers/Purchase Cardholders should review FSS contracts to determine if the schedules can meet the Government requirements. If the requirement is \$2,500 or less, the Contracting Officer/Purchase Cardholder need only consult one schedule if that contractor can meet the Government requirements. If over \$2,500, the Ordering Officer/Purchase Cardholder must compare the products/services of at least three schedule holders to ensure they are obtaining the best value for the government. Additional guidance on using General Services Administration (GSA) FSS contracts can be found in the NAVSUPINST 4200.85D, chapter 2.

b. Basic Ordering Agreements (BOAs) and Orders Under Indefinite Delivery Type Contracts (IDTC)

(1) The Contracting Officer will include in all solicitations and FAR 52.232-36 awards in which the purchase card will be used as a method of payment: "Payment by Third Party".

(2) The Contracting Officer will specify in the IDTC/BOA, the point at which each order becomes binding (e.g., issuance of the order, acceptance of the order in a specified manner or failure to reject the order within a specified number of days).

(3) Each delivery order will state that the purchase card is the method of payment for individual orders.

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(4) The Ordering Officer, if not the Purchase Cardholder, will provide the cardholder's name and telephone number. He/she will instruct the contractor to call upon receipt of the order.

(5) The Ordering Officer will notify the Purchase Cardholder, either in writing or via electronic means, that the order has been placed. A copy of the written order will be provided to the cardholder.

(6) After receipt of the order by the contractor, the cardholder will disclose his/her purchase card account number to the contractor and remind the contractor not to bill the purchase card account number until actual shipment of supplies is accomplished or services are rendered.

The cardholder must not change any terms or conditions of the order and will notify the ordering officer immediately if there are any problems with delivery or performance.

(8) The cardholder must verify receipt and acceptance of all items on his/her monthly statement in order to reconcile it accurately.

(9) The Ordering Officer is responsible for a contract reporting attached to the procurement (e.g., DD 1057/DD 350)

(10) Individual orders may be issued and paid up to \$100,000, as authorized by the procurement authorizing activity (FISC San Diego).

(11) If oral orders are authorized under the IDTC, it is the Ordering Officer's responsibility to confirm all orders in writing.

508. Document Preparation. Orders or purchase orders issued which authorize payment by purchase card will not contain any of the following clauses:

| | |
|----------------|------------------------------|
| FAR 52.213-1 | Fast Payment Procedures |
| FAR 52.232-8 | Discounts for Prompt Payment |
| FAR 52.232-23 | Assignment of Claims |
| FAR 552.232-25 | Prompt Payment |

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CHAPTER 6

INVOICE CERTIFICATION PROCEDURES

601. Official Invoices. As the use of GCPC card increases, it is important to ensure that official invoices submitted are proper and correct. Each month, FASOTRAGRUPAC receives the monthly invoice through WINSALTS. This invoice will be reconciled and payment forwarded within 5 working days of receipt.

602. Reconciliation Process. Upon receipt of the official invoices, a copy of the CITIBANK/SALTS summary sheet will be printed. The cardholders and the AO will review and reconcile purchase records as follows:

a. Cardholders will reconcile the information on his/her Statement of Account by matching each transaction to the purchase file documentation and the monthly government-wide commercial purchase card order log, enclosure (3). When satisfied with the validity of the transactions, the cardholder will then sign the statement, attach all related transaction documents, and forward the package to the AO within three working days. In the absence of the cardholder, the APC and the AO may complete this certification.

b. The AO will then verify the cardholders' Statement of Accounts. The AO must investigate any suspicious transactions and resolve all questionable purchases with the cardholders. The package will then be used to reconcile the official invoice from CITIBANK.

c. If the cardholder is unable to review the statement at the time it is received, the AO or APC is responsible for reviewing and certifying the cardholder's monthly statement. The cardholder, upon his/her return, reviews the monthly statement and resolves any discrepancies with the AO.

Payment of Bills

a. Advance Reservation of Funds. The budget office will ensure the advance reservation of funds, commonly known as bulk obligations. This will ensure there is sufficient funding available to cover all anticipated purchases to be made during the billing cycle.

b. Pay and Confirm Procedures. Under the pay and confirm procedures, payment in full is anticipated and that the supplies will be received within the next billing cycle. If the supplies have not been received, the Purchase Cardholder will dispute the item using the established dispute procedures.

c. Unauthorized Charges. If charges are not authorized or items have not been shipped, cardholders must dispute the charges. All charges must be disputed within 60 days of the receipt of the invoice on which the charge first appeared.

d. Defective Items. If items purchased are defective, cardholders should attempt to obtain replacements or correction of the items from the merchant as soon as possible. If the vendors refuse to replace or correct the defect or replace the item the cardholder must put the item in dispute.

e. Electronic Transmission. As the final step in the invoice certification process, the Approving Official, acting as the Certifying Officer, will forward the CITIBANK invoice through electronic transmission (WINSALTS). To ensure the command is not penalized for noncompliance, certification will be forwarded online no later than 5 working days after the receipt of the official invoice. This will maximize rebate. This will also ensure interest penalties attributed to late processing are eliminated.

604. Documentation Disposition. Purchase files must be retained for three years after payment is made. Each monthly statement should be filed with

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documentation to support each transaction on the statement, including the following:

- a Adequately prepared and approved purchase request
- Documentation of solicitation and award
- Signed and dated receipt/acceptance

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CHAPTER 7

REVIEW REQUIREMENTSReview of Local Program

a. Internal Review. The APC and the AO will conduct a semi-annual review of the purchase card program, including all transactions and associated documentation. The activity's program implementation date is 27 Aug 1997. The APC will perform the semi-annual reviews during the months of April and September. A memorandum documenting the findings will be forwarded to the Administrative Officer. The following areas must be covered in all purchase card program reviews:

(1) Review of internal operating procedures to ensure compliance with current DOD/DON regulations and directives.

Program compliance with applicable training requirements

Appropriate delegations of authority

4) Integrity of purchase request process.

Compliance with micro-purchase procedures

(6) Invoice verification process.

Prompt payment procedures

8) Procedures to review Letters of Agreement (LOAs) and orders against LOAs.

9) Use of purchase card as a payment method

702. Head of Contracting Activity (HCA) Review

a. The Commander, Naval Supply Systems Command (NAVSUP), has the overall responsibility for managing purchase card contracting authority within his/her contracting chain of command. They are responsible for the delegation and redelegation of contracting authority to DON commands and activities. FISC San Diego has been delegated to review the command level program.

703. Procurement Management Review (PMR). The APC and AO will ensure a semi-annual purchase card program review is conducted. An annual report will be submitted to the Regional Procurement Management (RPM) Division. This report will be the basis for the annual desk review to be conducted by the RPM Division.

MATERIAL REQUEST FOR PROCUREMENT FORM

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|--|--------------------------|--------------------------|------------------------------------|--|----------------|----------------|
| This Request form is for Local Use Only | | | Requisition Number: R09191- | | | |
| Date of Request: | | Priority: | Date Material Required: | | | |
| Requesting Department: | | Point of Contact: | | Point of Contact Phone Number: | | |
| Material Requirement/Justification: (This block must be filled in) | | | | | | |
| Utilize Spaces Below for Open Purchase Items Only | | | | | | |
| Source 1: Quote: Point of Contact: | | Address: | | Phone Number: Extension: FAX Number: | | |
| MFG/Part Number | Nomenclature/Description | Quantity | Unit of Issue | Unit Price | Total Price | |
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| Source 2: Quote: Point of Contact: | | Address: | | Phone Number: Extension: FAX Number: | | |
| Source 3: Quote: Point of Contact: | | Address: | | Phone Number: Extension: FAX Number: | | |
| Utilize Spaces Below for Stock Numbered Items Only | | | | | | |
| Requisition Number | NSN | Nomenclature/Description | Quantity | Unit of Issue | Unit Price | Total Price |
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| Department Authorizing Official: | | | Date: | | | |
| (Typed Rank/Rate/Name) | | | | | | |
| Approving Official: (For N1 Use Only) | | | Date: | | | |
| (Typed Rank/Rate/Name) | | | | | | |

Encl 2

CREDIT CARD CONTRACT LOG SHEET

DOC NO: _____

TL NO:

[illegible]

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